
FUNDING OPTIONS FOR GROUNDWATER MANAGEMENT

STANISLAUS COUNTY
WATER ADVISORY COMMITTEE

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AGENDA

1. Project Overview
2. GSA Funding Legal Frameworks
3. Common GSA Funding Methodologies

PROJECT GOALS

- Identify legally defensible and practical funding mechanisms that enable Stanislaus County to sustainably fund GSP implementation for the Northwestern Delta-Mendota GSA.
- Evaluate and contrast funding approaches according to groundwater management needs.
- Build informed stakeholder understanding by clearly communicating funding options, tradeoffs, and impacts.

PROJECT SCOPE

Task 1: Evaluation and Analysis of Funding Mechanism Options for the County

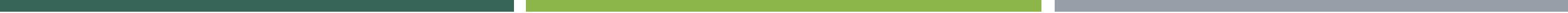
- Assess funding needs for program administration, GSP implementation, and potential supplemental projects.
- Evaluate alternative fee and assessment structures, including applicable legal frameworks and methodologies.

Task 2: Stakeholder Engagement and Outreach

- Develop and present preliminary funding scenarios and rate concepts.
- Facilitate engagement with County staff, Water Advisory Committee, stakeholders, and Board of Supervisors.
- Support public education and outreach to inform and build understanding of funding options.

Task 3 – Deliverables

- Prepare a Funding Options Technical Memorandum outlining recommended funding approaches, methodologies, and preliminary rate estimates.
- Incorporate legal considerations, stakeholder input, and County priorities.
- Develop presentation and communication materials to support decision-making.



GSA FUNDING LEGAL FRAMEWORKS

OVERVIEW OF GSA FUNDING LEGAL FRAMEWORKS

Water Code § 10730 Fees

- Imposed by Board resolution.
- May fund the cost of 'Program Administration.'

Water Code § 10730.2 Fees

- Require less than 50% protest.
- May fund a broad spectrum of GSA activities.

Benefit Assessments

- Require 50% balloted support.
- May fund a broad spectrum of GSA costs.

SGMA
Fees

WATER CODE § 10730 FEES

Legal Framework

- Generally interpreted as regulatory fees under Proposition 26.
- A charge imposed for a benefit or privilege conferred on the payer.

Implementation Procedure

- Notice posted on website and in local newspaper at least 20 days prior to public meeting.
- Fees imposed by Board action (ordinance or resolution).

Use of Funds

- Referenced specifically in Water Code § 10730;
- May fund the cost of a groundwater sustainability program (“program administration”);
Cannot fund major capital expenses.

WATER CODE § 10730.2 FEES

Legal Framework

- Generally interpreted as property related fees under Proposition 218.
- A charge imposed for providing a property-related service.

Implementation Procedure

- Notice mailed to all affected property owners at least 45 days prior to protest hearing.
- One protest opportunity is granted to each affected parcel.
- Protest hearing held; if property owners submit written protest on behalf of 50% or more parcels (“majority protest”), fee cannot be imposed.

Use of Funds

- Referenced specifically in Water Code § 10730.2.
- May fund a broad spectrum of activities, including administrative and capital costs.

BENEFIT ASSESSMENTS

Legal Framework

- Assessment requirements established under Proposition 218.
- A charge imposed for a “special benefit” conferred on a parcel.

Implementation Procedure

- Ballots mailed to all affected property owners at least 45 days prior to protest hearing.
- Balloting is weighted based on assessment amount.
- Protest hearing held; if 50% or more of submitted ballots support the measure, the assessment can be imposed.

Use of Funds

- Not referenced in SGMA legislation.
- May fund a broad spectrum of activities, including administrative and capital costs.



COMMON GSA FUNDING METHODOLOGIES

OVERVIEW OF COMMON GSA METHODOLOGIES

Extraction Charges

- Produces a rate per AF.
- Referenced in both Water Code § 10730 and § 10730.2.

Irrigated Acreage Charges

- Produces a rate per irrigated acre.
- Essentially a proxy for groundwater use.

Acreage Charges

- Produces a charge per land acre.
- Charges not tied to amount of GW used.

Hybrid Charges

- Utilizes two or more charge types.
- Opportunity to make the most of multiple approaches.

VOLUMETRIC CHARGES

Basis of Charge

- Charges based on groundwater extraction or consumption.
- Rate calculation requires understanding of annual groundwater use (GSA-wide and on a parcel scale).

Advantages

- Apportions costs based on use (use more, pay more).

Challenges

- Data-intensive – requires extensive methodology development and annual updates.

IRRIGATED ACREAGE CHARGES

Basis of Charge

- Charges based on number of irrigated acres.

Advantages

- Simpler; easier to track and update.

Challenges

- Does not consider variable amount of groundwater use per crop type.
- As a stand-alone approach, only accounts for agricultural groundwater users. Non-agricultural use must be approached separately.

ACREAGE CHARGES

Basis of Charge

- Charges based on number of land acres; can utilize different rates depending on land use.

Advantages

- Simpler; easier to track and update.

Challenges

- Does not consider amount of groundwater use.

HYBRID CHARGES

Basis of Charge

- Charges based on multiple factors (e.g., extraction and acreage).
- Often used to separate “base costs” from “supplemental costs.”

Advantages

- Helps to account for all beneficiaries.

Challenges

- More complex; often more difficult to explain to stakeholders.

NEXT STEPS

- Analyze projected costs and benefits or services provided.
- Update data to reflect groundwater use and other factors.
- Develop preliminary rate estimates.

QUESTIONS / DISCUSSION

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